

UNITED STATES INTERNATIONAL TRADE COMMISSION  
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION  
of the 111<sup>th</sup> Congress<sup>1</sup>**

[Date approved: March 25, 2010]<sup>2</sup>

**Bill No. and sponsor:** S. 2481 (Mr. Lindsey Graham of South Carolina).

**Proponent name,<sup>3</sup> location:** Michelin North America, Inc., Greenville, SC.

**Other bills on product (111<sup>th</sup> Congress only):** None.

**Nature of bill:** Temporary duty suspension through December 31, 2011.

**Retroactive effect:** None.

**Suggested article description(s) for enactment (including appropriate HTS subheading(s)):**

Curing presses of a kind used to produce pneumatic truck and automobile tires having a tread width of at least 450 mm, such presses together with head of line selection equipment, and parts thereof (provided for in subheadings 8477.51.00, 8477.90.25, 8477.90.65 or 8477.90.85).

**Check one:** ☐ Same as that in bill as introduced.  
☒ Different from that in bill as introduced (see Technical comments section).

**Product information, including uses/applications and source(s) of imports:**

Curing presses are used to shape tires and provide their tread pattern. Green tires<sup>4</sup> are loaded into a mold in the curing press. The mold halves are pressed onto the tire, heat is applied, and the tire shape, tread pattern, sidewall markings of the manufacturer, and any markings required by law are applied. The tires spend from approximately 12 to 25 minutes in the curing press molds, depending upon the size of the tire. Once the curing is completed, the press swings open, and finished tires are ejected from the molds and transferred to finishing and inspection. Truck and automobile tires with a tread width of 450 mm or greater are typically used on military vehicles, which need extra-wide tires, or certain vehicles used in the lumber and mining industries.

The head of the line selection equipment is automated equipment to select green tires from a storage area near the curing press lines that have numerous curing presses. The head of the line selection equipment picks up green tires and moves them to curing presses that are ready to receive tires for curing. The head of the line selection equipment is integrated with the curing press operations so that potential problems in loading green tires and unloading finished tires are eliminated. This system replaces manual loading and unloading of the presses. According to the proponent, the source of its imports is Germany.

<sup>1</sup> Industry analyst preparing report: Dennis Fravel (202-205-3404 ); Tariff Affairs contact: Jan Summers (202-205-2605).

<sup>2</sup> Access to an electronic copy of this memorandum is available at [http://www.usitc.gov/tariff\\_affairs/congress\\_reports/](http://www.usitc.gov/tariff_affairs/congress_reports/).

<sup>3</sup> The sponsor/proponent did not identify any additional beneficiaries of this bill.

<sup>4</sup> Green tires are tires that have been assembled from components: tread, ply, steel belts, sidewalls, liner, and bead bundles that have been cured, or molded, together.

**Total Estimated Revenue Loss for this Bill**

	2010	2011	2012	2013	2014
Customs revenue loss	\$496,000	\$496,000	\$496,000	\$496,000	\$496,000

**Estimated effect on customs revenue for the subject product classifiable in HTS subheading 8477.51.00:**

	2010	2011	2012	2013	2014
Col. 1-General rate of duty	3.1%	3.1%	3.1%	3.1%	3.1%
Estimated value <i>dutiable</i> imports <sup>a</sup>	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000
Customs revenue loss <sup>b</sup>	\$46,500	\$46,500	\$46,500	\$46,500	\$46,500

a/ Dutiable import estimates were based on official U.S. Government statistics, industry information, and Commission estimates.

b/ At the request of Congress, customs revenue loss is provided for 5 years, although the effective period of the proposed legislation may differ.

**Estimated effect on customs revenue for the subject product classifiable in HTS subheading 8477.90.25:**

	2010	2011	2012	2013	2014
Col. 1-General rate of duty	3.1%	3.1%	3.1%	3.1%	3.1%
Estimated value <i>dutiable</i> imports <sup>a</sup>	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000
Customs revenue loss <sup>b</sup>	\$46,500	\$46,500	\$46,500	\$46,500	\$46,500

a/ Dutiable import estimates were based on official U.S. Government statistics, industry information, and Commission estimates.

b/ At the request of Congress, customs revenue loss is provided for 5 years, although the effective period of the proposed legislation may differ.

**Estimated effect on customs revenue for the subject product classifiable in HTS subheading 8477.90.65:**

	2010	2011	2012	2013	2014
Col. 1-General rate of duty	3.1%	3.1%	3.1%	3.1%	3.1%
Estimated value <i>dutiable</i> imports <sup>a</sup>	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Customs revenue loss <sup>b</sup>	\$31,000	\$31,000	\$31,000	\$31,000	\$31,000

a/ Dutiable import estimates were based on official U.S. Government statistics, industry information, and Commission estimates.

b/ At the request of Congress, customs revenue loss is provided for 5 years, although the effective period of the proposed legislation may differ.

**Estimated effect on customs revenue for the subject product classifiable in HTS subheading 8477.90.85:**

	2010	2011	2012	2013	2014
Col. 1-General rate of duty	3.1%	3.1%	3.1%	3.1%	3.1%
Estimated value <i>dutiable</i> imports <sup>a</sup>	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000
Customs revenue loss <sup>b</sup>	\$372,000	\$372,000	\$372,000	\$372,000	\$372,000

a/ Dutiable import estimates were based on official U.S. Government statistics, industry information, and Commission estimates.

b/ At the request of Congress, customs revenue loss is provided for 5 years, although the effective period of the proposed legislation may differ.

**Contacts with domestic firms/organizations (including the proponent):**

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
		(Yes/No)		
Michelin North America, Inc. (Proponent) Steve Evered, 864-458-5080	11/27/2009	No	No	No
Bartell Machinery, LLC Jerry Eisenhart, Fax: 315-336-0947	11/27/2009	No	Yes	Yes
Bridgestone Firestone, Inc. Steve Akey, 202-354-8220	11/27/2009	No	No	No
Carlisle Tire & Wheel Co. Fred Sutter, Fax: 803-643-2919	11/27/2009	No	No	No
Denman Tire Corp. Mike Bicknell, mbicknell@denamantire.com	11/27/2009	No	No	No
Farrel Corp. Bill Flaherty, Fax: 203-736-5580	11/27/2009	No	No	No
Goodyear Tire & Rubber Co. Isabel Jasinoski, 202-682-9250	11/27/2009	No	No	No
Herbert Machine Works, Inc. Matthias Walter, Fax: 330-929-4298	11/27/2009	No	No	No

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
		(Yes/No)		
King Machine of Charlotte Dan Centea, 704-583-0486	11/27/2009	No	No	No
Kobelco Stewart Bolling, Inc. David Sealfon, d.sealfon@kbsi.com	11/27/2009	No	No	No
Mitsubishi Heavy Industries America, Inc. Eiichi Ishii, Fax: 330-427-8909	11/27/2009	No	No	No
Purcell Tire & Rubber Co. Dennis Flynn, dflynn@purcelltire.com	11/27/2009	No	No	No
Quality Mold, Inc. Steve Zoumberakis, Fax: 330-645-2493	11/27/2009	No	No	No
R & D Mold & Machine, Inc. Ken Owens, Fax: 931-379-0228	11/27/2009	No	No	No
Rogers Industrial Products, Inc. John R. Cole, 330-535-3331	11/27/2009	Yes	Yes	Yes
RJS Corp. Raymond Slezak, Fax: 330-896-3282	11/27/2009	No	No	No
RRR Development Co., Inc. Bob Irwin, 330-966-8855	11/27/2009	No	No	No
Spadone-Hypex, Inc. George Pihonak, Fax: 203-877-1173	11/27/2009	No	No	No
Specialty Tires of America, Inc. Mark Grant, 724-349-9010	11/27/2009	No	No	No
Steelastic LLC Brian Fetzer, Fax: 330-633-0527	11/27/2009	No	No	No
Titan International, Inc. Bill Campbell, Fax: 217-221-4771	11/27/2009	No	No	No
Wyko Tire Technology, Inc. Mike Evans, 865-856-2317	11/27/2009	No	No	No

#### Technical comments:<sup>5</sup>

It is suggested that the comma after “8477.90.65,” the penultimate HTS number referenced in the article description, should be deleted to conform to normal HTS usage. We also note some concerns regarding the description that would need to be addressed by Customs officials. The classification of the head of line selection equipment specified in the bill is unclear; it is possible that if it is imported separately it

<sup>5</sup> The Commission may express an opinion on the HTS classification of a product to facilitate consideration of the bill. However, by law, only the U.S. Customs Service is authorized to issue a binding ruling on this matter. The Commission believes that the U.S. Customs Service should be consulted prior to enactment of the bill.

might be classified in heading 8428, the heading for miscellaneous lifting equipment, under which all tariff rate lines have a general duty rate of free. If it is imported with a curing press, Customs might treat the equipment as an entirety and allow the shipment to obtain duty-free entry under the proposed heading. However, this treatment is a matter of Customs' interpretation of the HTS in light of the nature of the goods being examined, and it is unclear whether such equipment might be deemed to fall under an unnamed HTS subheading. Accordingly, the precise scope of the proposed heading is unclear, so that it is somewhat difficult to calculate likely revenue loss estimates.

111TH CONGRESS  
1ST SESSION

# S. 2481

To suspend temporarily the duty on certain mold curing devices used in the manufacture of extra-wide pneumatic truck and automobile tires, and parts and accessories thereof.

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IN THE SENATE OF THE UNITED STATES

OCTOBER 29, 2009

Mr. GRAHAM introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To suspend temporarily the duty on certain mold curing devices used in the manufacture of extra-wide pneumatic truck and automobile tires, and parts and accessories thereof.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. CERTAIN MOLD CURING DEVICES USED IN THE**  
4 **MANUFACTURE OF EXTRA-WIDE PNEUMATIC**  
5 **TRUCK AND AUTOMOBILE TIRES, AND PARTS**  
6 **AND ACCESSORIES THEREOF.**

7 (a) IN GENERAL.—Subchapter II of chapter 99 of  
8 the Harmonized Tariff Schedule of the United States is

1 amended by inserting in numerical sequence the following  
 2 new heading:

“	9902.01.00	Curing presses of a kind used to produce pneumatic truck and automobile tires having a tread width of at least 450 mm, such presses together with head of line selection equipment, and parts thereof (provided for in subheadings 8477.51.00, 8477.90.25, 8477.90.65, or 8477.90.85) ..	Free	No change	No change	On or before 12/31/2011	”.
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3 (b) EFFECTIVE DATE.—The amendment made by  
 4 subsection (a) applies to articles entered, or withdrawn  
 5 from warehouse for consumption, on or after the 15th day  
 6 after the date of the enactment of this Act.

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